



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
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Eligibility Operations Memo 07-19
December 15, 2007

TO: MassHealth Eligibility Operations Staff
FROM: Russ Kulp, Director, MassHealth Operations
RE: **Health Safety Net**

Introduction

Effective October 1, 2007, the Uncompensated Care Pool (UCP) program ended and Health Safety Net (HSN) was established as its successor. HSN is administered by the Division of Health Care Finance and Policy (DHCFP) and reimburses acute hospitals and community health centers for providing care to patients who do not have health insurance or who are underinsured. Private physicians, independent care groups, and independent laboratory fees are not reimbursed through HSN.

Application Process

Individuals must submit a MassHealth application and necessary documentation, including verification of income. MassHealth Operations will process the application and notify the applicant of the eligibility determination.

Health Safety Net Eligibility Requirements

Health Safety Net is for Massachusetts residents with family group income that is less than or equal to 400% of the federal poverty level (FPL).

An individual is eligible for **Health Safety Net – Primary** if he or she is uninsured and has family group income that is less than or equal to 200% of the FPL.

An individual is eligible for **Health Safety Net – Secondary** if he or she has other primary health insurance and has family group income that is less than or equal to 200% of the FPL. Members eligible for MassHealth Limited, Emergency Aid to the Elderly, Disabled, and Children (EAEDC), Prenatal, Healthy Start plus Limited, Medicare Buy-In, and Senior Buy-In, and certain Children's Medical Security Plan (CMSP) members will receive HSN – Secondary, including six months' retroactive HSN, but only for services not covered by these programs.

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**Health Safety Net
Eligibility
Requirements
(cont.)**

An individual is eligible for **Health Safety Net – Partial** if he or she has family group income that is above 200% of the FPL and less than or equal to 400% of the FPL. The individual is responsible for an annual deductible.

A member terminated from MassHealth, CMSP, or Commonwealth Care for failure to pay premiums will not be eligible for Health Safety Net.

Incarcerated individuals may apply for HSN for services that were provided before they were incarcerated.

Eligibility Period

For individuals approved for HSN on or after October 1, 2007, providers may submit claims for reimbursable services for the period beginning six months before the approval date.

For individuals approved for MassHealth Basic, MassHealth Essential, or Commonwealth Care, but who have not enrolled in the Primary Care Clinician (PCC) Plan or a managed-care organization (MCO), providers may submit claims for HSN-reimbursable services only for the period beginning 10 days before the date of application to 90 days after the date of application. HSN coverage will end after this period.

Members approved for Commonwealth Care will also receive HSN during the time between when they enroll in a Commonwealth Care managed-care plan and the plan coverage effective date.

Health Safety Net is effective for a maximum of one year from the date of determination. This eligibility is subject to periodic redetermination through MA21, including verification that the individual's family group income or insurance status has not changed to such an extent that the individual no longer meets the eligibility requirements.

Effective October 1, 2007, individuals eligible for MassHealth Standard, CommonHealth, or Family Assistance purchase of benefits **will no longer** receive HSN – Secondary or HSN retroactive coverage.

Services Provided

HSN – Primary will pay for eligible services at HSN hospitals and community health centers. There is no limit on the number of eligible services used by patients with no other health insurance.

HSN – Secondary will pay for reimbursable services not covered by the primary health insurance, including private health insurance deductibles and coinsurance.

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Services Provided
(cont.)

Commonwealth Care members who are enrolled in Plan Types 2B, 3, and 4 may have only uncovered dental services paid for by HSN – Secondary once their Commonwealth Care coverage is effective. HSN – Secondary **will not** pay for MassHealth, Commonwealth Care, or private insurance copayments, or a MassHealth CommonHealth deductible.

HSN **will not** cover services that were denied due to technical billing errors, use of out-of-network services, failure to obtain prior authorization (PA) for services, late charges, and balance of a contractual allowance owed by another payer. HSN **will not** cover claims denied by MassHealth because the patient exhausted the allowed number of services.

Cost Sharing

Effective March 3, 2008, low-income patients are responsible for paying copayments in accordance with 114 CMR 13.04(6)(b) and deductibles in accordance with 114 CMR 13.04(6)(c).

Copayments

- All low-income patients over the age of 18 are responsible for copays of \$1 for generic drugs and \$3 for single-source drugs.
- Low-income patients with family group income that is above 100% of the FPL and less than or equal to 200% of the FPL are responsible for copays for the following services:
 - \$5 for an outpatient routine visit at a hospital;
 - \$50 for an inpatient admission; or
 - \$50 for an emergency room visit (waived if admitted).
- There are no copays if the
 - family group income is less than or equal to 100% of the FPL (exception-prescription drugs);
 - family group income is above 200% of the FPL and less than or equal to 400% of the FPL (exception-prescription drugs);
 - individual is a child aged 18 or younger; or
 - service is provided at a community health center.

Deductibles

- Individuals approved for HSN – Partial with family group income above 200% of the FPL and less than or equal to 400% of the FPL will be assessed an annual deductible.
- The deductible is 40% of the difference between the applicant's family group income and 201% of the FPL.

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Cost Sharing
(cont.)

- The individual is responsible for payment of all services provided up to the deductible amount. Once the individual has incurred the medical expenses to meet the deductible, a provider may submit claims for eligible services in excess of the deductible.
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Medical Hardship

When expenses exceed a defined percentage of income, Health Safety Net will reimburse HSN providers for unpaid medical expenses in excess of the threshold. Allowable medical expenses include medical bills from providers incurred up to 12 months before the date of application for medical hardship. Medical hardship is a one-time determination made by DHCFP. It is not an ongoing eligibility category and will not appear as an aid category on REVS.

Eligibility for medical hardship is based on a sliding scale of medical expenses relative to income. To qualify for medical hardship, the applicant must be a Massachusetts resident and the allowable medical expenses must exceed the amounts described in the following chart.

Income Level	Patient Contribution Percentage
At or below 200% of the FPL	10%
Greater than 200% of the FPL and at or below 300% of the FPL	15%
Greater than 300% of the FPL and at or below 400% of the FPL	20%
Greater than 400% of the FPL and at or below 600% of the FPL	30%
Greater than 600% of the FPL	40%

Applications for medical hardship are submitted to DHCFP through the provider.

**Roles and
Responsibilities**

MassHealth Role and Responsibilities

MassHealth is the agent responsible for processing applications for HSN, including issuing system-generated eligibility notices for HSN applicants and HSN-eligible individuals. MassHealth responsibilities are very narrow in scope and include the following:

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**Roles and
Responsibilities
(cont.)**

- processing applications for HSN and making eligibility determinations;
- verifying family income and other information about the MassHealth portion of the eligibility determination;
- providing a brief explanation of Health Safety Net;
- adhering to the current MassHealth Permission to Share and Eligibility Representative Designation processes;
- performing periodic eligibility reviews and case maintenance activities through MA21; and
- addressing fair hearing requests through the Board of Hearings (BOH) that concern only issues related to the financial portion of the eligibility determination.

DHCFP Role and Responsibilities

DHCFP continues to administer HSN and has full responsibility for changing, promulgating, interpreting, and enacting HSN regulations and policy, and addressing all other HSN-related issues. DHCFP responsibilities include, but are not limited to the following:

- explaining the HSN program to applicants, HSN-eligible individuals, and others, including how to access HSN-allowed services;
- providing detailed HSN information, including the differences between HSN – Primary, HSN – Secondary, and HSN – Partial reimbursement, the meaning, assessment, and calculation of the HSN – Partial deductible, and how individuals and families can track and meet it;
- providing information and referrals for medical-hardship eligibility and processing applications for medical hardship;
- describing HSN-allowed services or procedures, including any copay requirements;
- handling complaints or problems concerning HSN providers;
- handling issues about payment (or nonpayment) for services and the patient's liability for payment of services; and
- processing applications for Confidential Applicants. (See below for more information about Confidential Applicants.)

**System
Implications –
MA21, MMIS, and
REVS Changes**

MA21

MA21 will perform a determination for potential MassHealth (including the Children's Medical Security Plan (CMSP) and the Healthy Start program (HSP)) and Commonwealth Care eligibility before an HSN eligibility determination.

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**System
Implications –
MA21, MMIS, and
REVS Changes
(cont.)**

MA21 will determine that HSN benefits are not available in the following situations:

- persons who are ineligible for MassHealth because family group income is greater than 400% of the FPL;
- persons who are pending for a disability determination and have family group income that is less than or equal to 133% of the FPL;
- persons who have not submitted all required verifications (except citizenship and identity);
- persons terminated from MassHealth, CMSP, or Commonwealth Care for failure to pay premiums;
- persons terminated from MassHealth for failure to enroll in confirmed employer-sponsor insurance (ESI);
- persons who are ineligible for MassHealth or Commonwealth Care because of the following denial or termination action reasons (ARs): C1, C2, 31, 38, 39, 40, 41, 42, 45, 46, 48, 49, 50, 58, 70, 73, and 80. (See page 8 for descriptions of these ARs.)

Persons who are ineligible for MassHealth or Commonwealth Care for any other denial or termination action reason are eligible for HSN if their family group income is less than 400% of the FPL and all needed verifications (except citizenship and identity) have been submitted.

MA21 Benefit Codes and MMIS Category Codes

Health Safety Net – Primary and Secondary

- MA21 benefit code: UC
- MMIS category code: AQ

Health Safety Net – Partial

- MA21 benefit code: UP
- MMIS category code: AP

Note:

HSN – Primary and HSN – Secondary will be identified with the same MA21 benefit code and MMIS category code. REVS will distinguish between the programs by the third-party liability (TPL) information that is on file. If the individual is eligible for HSN – Secondary, REVS will display a provider message with instructions to bill the member's private health insurance.

REVS

HSN-eligible individuals **will not** be issued any type of medical identification card for Health Safety Net. Providers may access HSN-eligibility information through REVS.

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**System
Implications –
MA21, MMIS, and
REVS Changes
(cont.)**

REVS messaging will inform providers of HSN eligibility in the following situations, when applicable:

- eligible for MassHealth Basic or Essential, but pending enrollment in the PCC Plan or an MCO;
- eligible for Commonwealth Care, but pending MCO enrollment; or
- the availability of HSN – Secondary for members with noncomprehensive MassHealth, such as MassHealth Limited, CMSP, or Buy-In.

For further information about REVS updates, please see Transmittal Letter ALL-153 (Appendix Y), issued October 2007.

Noticing

Effective November 3, 2007, MA21-generated notices will reference Health Safety Net eligibility. Notices for individuals approved for MassHealth Essential and Basic and Commonwealth Care will include information about HSN coverage beginning 10 days before the date of application and continuing for 90 days after the date of determination.

In October 2007, an advance notice was sent to those members who have been approved for Commonwealth Care, but who have not yet enrolled in an MCO. The purpose of this mailing was to inform the individual of the Commonwealth Care-enrollment opportunity and that Health Safety Net coverage is ending.

Currently, a notice is being sent to all individuals who are eligible for Health Safety Net coverage only. The purpose of the notice is to inform the individual of the new copayment requirements, effective March 2008.

In the future, a notice will be sent to all individuals currently eligible for noncomprehensive MassHealth programs (such as MassHealth Limited, CMSP, Buy-In, or Healthy Start). The purpose of this notice will be to inform these members of the new copayment requirements.

**Confidential
Applicants**

Certain individuals may apply for HSN as Confidential Applicants. Only the income of the individual will be used in determining eligibility for low-income patient status. Confidential applicants should file an application with an HSN provider using the DHCFP Electronic Uncompensated Care (Free-Care) Application until the release of the Application for Health Safety Net Confidential Services.

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**Confidential
Applicants
(cont.)**

Children under the age of 19 receiving confidential services may apply for low-income patient status using their own income information. If the child is determined to be a low-income patient, the provider may submit claims for confidential services. Confidential services for these individuals are limited to family-planning services and services related to sexually transmitted diseases only.

Individuals who have been battered or abused, or who have a reasonable fear of abuse or continued abuse, and who are seeking medically necessary HSN-eligible services may apply confidentially for low-income patient status using their own income information. Individuals seeking these services are not required to provide their primary address.

**Description of
HSN Disqualifying
Action Reasons**

The following list provides a description of the MassHealth/Commonwealth Care denial and termination reasons referenced on page 6 of this memo.

- C1 – failure to pay Commonwealth Care premium
 - C2 – voluntary withdrawal from Commonwealth Care
 - 31 – close reinstatement TMA category AA
 - 38 – voluntary withdrawal
 - 39 – not applying
 - 40 – did not provide required verifications (except SSN)
 - 41 – failure to complete/return info/questionnaire
 - 42 – did not comply with lien/assignments
 - 45 – not used as of 09/09/98
 - 46 – entered a penal institution
 - 48 – not a resident of Massachusetts
 - 49 – death
 - 50 – whereabouts unknown
 - 58 – did not cooperate with Quality Control
 - 70 – imported into another household
 - 73 – did not enroll in health insurance
 - 80 – PE benefit 80 closing
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Attachment

Attached to this memo is the advance notice that was sent to members who have been approved for Commonwealth Care, but who have not yet enrolled in an MCO.

Questions

If you have any questions about this memo, please have your MEC designee contact the Policy Hotline.
